



Foreign Agricultural Service

GAIN Report

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Guatemala

Grain and Feed

Effects of the U.S. Drought in Grain Imports 2002

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Report Highlights:

Due to weather conditions in The U.S. and Canada, grains such as corn, wheat and soybeans are already experiencing around 20% price increase in Guatemala.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Guatemala [GT1], GT

The impact in agriculture from unfavorable weather conditions in the United States and Canada have reached Guatemala. Several industries in the country are concerned with cost increases and others are already experiencing increases in raw material prices. Key imported grains in Guatemala such as wheat, corn and soybeans are already experiencing around a 20% price increase. Every year Guatemala imports around 500,000 MT of yellow corn from the United States, 250,000 MT of soybean meal from the United States and 325,000 MT of wheat from Canada and 75,000 MT of wheat from the United States.

The beef, milk, pork, poultry and flour industries in Guatemala are directly involved with the consumption of wheat, corn and soybeans and are therefore the industries most likely to pass on these cost increases. To date, however, flour millers are maintaining prices to consumers. According to local wheat industry officials, they will not be able to hold current prices for much longer.

If the current situation continues, retail prices for products such as bread, eggs, milk, poultry and meat are expected to increase. Given that posting has already started for the 2003 presidential elections, basic food prices could also become a political issue.